

Springerville Town Council
Work Session Minutes
June 18, 2003
6:00p.m.

Present: Kay Dyson Mayor, Mary Nedrow Vice-Mayor, Mark Baca, Scott Cray and Pete Hunt

Staff: Kurt Hassler Town Manager, Val Cordova Town Clerk, Steve West Chief of Police, Tom Malone Public Works Director and Sharon Pinckard Community Services

Public: Scott Garms

1. Mayor Dyson called the meeting to order at 6:00p.m.
2. Public Participation - None
3. 2004-2005 Budget: Hear and discuss a presentation from the Town Manager regarding the proposed budget for 2004-2005.

Mr. Hassler began by going over the revenue side of the budget then go into the line items. He said a majority of the line items have changed and he would highlight them.

City Sales tax is anticipated at \$1.2 million. He explained that we are budgeting this amount in the contingency in case the town receives additional revenue from the plant. Then council and go to the list of contingencies to do projects or put into savings.

State Income Tax and Auto Lieu Tax information is provided the Arizona League of Cities. They are predicting State Sales tax to go up a little bit and the auto lieu to remain the same as last year.

10-360-100 Misc. Revenue is used to lump categories such as grants.

Casa Malpais Ramada grant – Completed.

Fire Department grant – Completed

U.S. Forest Service Lease – Land they rent from the town at the airport – Consistent \$2,500 a year.

F.A.A. Master Plan Grant – The airport committee would like to update the master plan at the airport. F.A.A. would pay 96%, State 2% and 2% match by the town of \$80,000. He reminded the council that the town would have to cash flow this grant for sixty to ninety days. This grant has not been awarded.

F.A.A. Fencing grant - \$98,000 and has been awarded. Cost and plan estimates are being worked on.

State Parks Grant – \$48,000 SHPO grant for the school.

Fire Works donations – A line item under public relations. There is additional money in there as a pass through from the group. The town has to cut the check but the funds come from the donations they solicit.

W.I.F.A grant - \$21,000 grant. \$10,500 from WIFA and \$10,500 from the town. This grant is for the design only of the bypass around the plant including some engineering for the aerator.

Department of Commerce Grant - \$10,000 for the Master Plan update with a \$10,000 town match for consulting fees.

U.S. Forest Service Grant - \$11,500 for the Town Hall Master Plan Update.

F.E.M.A. Grant – New Fire Truck currently on order and should be coming in mid to late July.

Airport Fire Protection Grant - \$67,712 – This has been submitted, money to come in next year. We are waiting on approval from ADEQ to turn on the well.

Transfer from savings is the money in the LGIP account. (Estimated on June 1).

The last is transfers out of the general fund into the roads fund, senior center, the water and sewer funds.

Projected in the LGIP for next year should be \$193,000.

Projected HURF funding - \$462,000

LTAF funding – just over \$10,000

Mr. Hassler explained that the town has always transferred HURF funds out into the general fund into water and sewer and now we are transferring money back into HURF to do more projects. Senior Center funds are mostly grant related. Last year just over \$54,000 was transferred and this year he expects only about \$46,500.

CDBG about \$24,000 this year and the remainder will be next year.

The Water Fund should take in about \$200,000 but estimate about \$230,000 next year due to the rate increases.

Miscellaneous Revenue – He thought some of the bulk water sales are coded to this account, and unusually large water meter hook-ups.

Transfer of funds from the general fund into the water fund of \$35,000.

Sewer Fund Revenues – the town took in \$106,000 this year and projecting \$140,000 next year.

Miscellaneous Revenues - Last year the town took in \$98,000 for Mike Moses and projects only about \$1,000 next year.

Contingency Fund - Mr. Hassler reminded the council that if it is not budgeted, it can't be spent. This is based on potential sales tax if the people from Bechtel come in. If the revenue is taken in, then the manager will come back and tell the council how much it will cost and ask the council what projects they would like to do or what they would like to do with the money. He reiterated that these numbers really do not mean anything at this time. It will be coded in one of the items above not to the contingency fund. If the money does come in, the council needs the ability to spend it.

Mr. Hassler noted that the budget is about 3.1 million dollars realistically. The budget is very conservative in the estimates so that if any money does come in it will make everything look better.

Budget percentages:

Council Budget: 9% overall increase

Magistrate- 16% increase

Administration 5% drop

Police Department – 5% drop

Fire Department – 141% increase due to the fire truck with the FEMA grant.

Health & Sanitation – 56% drop – Mosquito spraying and relocation of funds.

Airport – 620% - increase – This is due to the primarily to the fencing and master planning grants.

Two new budgets have been created: A lot more time is being spent in these two items. Personnel will remain the same.

Building maintenance

Building inspections -

Mechanical Shop – 16% increase – Mostly due to vehicle maintenance. All maintenance is in this budget.

Parks and Cemetery 4% decrease

Casa Malpais – 5% decrease

Public Works – 16% decrease

Debt Service – 2% decrease

Roads – 2% increase

Human Services – 25% decrease

Water department – 1% decrease

Sewer department – 3% increase

Council Budget:

10-501 – decrease in salary due to council members that do not want to be paid

Legal services – sharp increase, projected is \$31,000 and budgeted is \$30,000. He explained that there are still major code revisions that will take a lot of legal counsel time to review and make sure of the changes.

Postage and freight has been reduced to zero, due to not mailing the newsletter.

Contractual Services - \$35,500 for the Chamber of Commerce. This can be changed if the council wishes.

Councilman Cray and Councilman Hunt both said they would like to support EDAC this year. Councilman Cray said he would like to see the council budget \$5,000 for EDAC. Vice-Mayor Nedrow said she was not in favor.

The consensus of the council was that they should cut back on the contributions except for those that they committed funds to already. They committed to the Fat Tire Fiesta, the Sheriffs posse and the RV Orchestra. The council directed that checks be written to those entities and be done with it. They will not budget any funds this year except the \$1,250 committed.

Business subscriptions – Includes NACOG, Arizona League of Cities, Little Colorado RC&D
Public Relations – Fire Works, staff Christmas party. Council said they would rather see bonuses than the party.

Fire works – Council decided that they would only pay for insurance next year at a cost of no more than \$3,500. Any funds left over from that amount they can use toward the fire works.

Magistrate Budget: 16% increase:

Increase of just over \$10,000. These are numbers he received from the magistrate judge.

Line item 304 – Doug Brown for prosecution services

Line item 340 – General insurance – Southwest Risk Services.

Salaries, wages and employee benefits and contractual services is from Sherry Geisler. This pays for 1/3 of her salary and 1/2 of another full time person.

Mr. Hassler advised the council that currently our magistrate does not have a contract and that allows her to dictate to the town what we pay her. He recommended that this issue be looked into. Staff was directed to look into having our own magistrate one or two days a week and legal ramifications before they approve the increase asked for.

Administration Budget: 5% decrease

Just under \$20,000 reduction over last year.

Three full time people in finance

One full time Town Clerk

One full time Town Manager

Part time Zoning Administrator

No administrative assistant

303 – Contractual Services – Engineering and Architectural Services. This is the master plan of town hall and includes \$20,000 for the town master plan.

Vice-Mayor Nedrow asked about employee benefits and group insurance.

Mr. Hassler explained that last year we had budgeted \$530 and this year we will budget \$378 which is an overall reduction of \$150,000.

Machinery and equipment - \$2,500 is the backup for the server.

Planning and Engineering is zeroed out and combines with administration.

Police Department and Animal Control: Decrease in budget.

Combined Animal Control department with the Police Department.

840-842-844 Grants- If the money comes in they make purchases, if it doesn't then they don't purchase anything.

830- Machinery and equipment – \$7,500 for six tasers

439 – Building repair and maintenance – All maintenance at the department and repairs to the kennels. This is a decrease from last year.

Fire Department –

Machinery and equipment \$160,000 for the fire truck

Salaries – \$21,000 – An extra \$1,000 for personnel. Projected will be higher due to the fires they are responding to. This will all be reimbursed.

\$4,000 Benefits - Town's portion of employee taxes, and fire fighters retirement

Contractual services – Fire fighters training and fires. They are paid \$8.50 an hour for fire calls and \$1.00 an hour for training.

315 – \$21,000 - Max's increase in salary.

Without the fire truck there would be a decrease in the fire budget.

Health and Sanitation budget: decrease

Zeroed out the salaries and employee benefits

Employee salaries have been assigned to a specific budget, roads, sewer, water, building inspection, building maintenance and mechanical shop. Their time is charged to wherever they actually work.

Supplies - decreased from \$5,000 to \$1,500 for mosquito abatement.

Ambulance Budget: Zeroed out

Airport Budget:

General supplies went up – \$98,000 fencing. He advised the council that the fencing can be accomplished in sections and apply for reimbursement

Engineering and architectural services - \$80,000 for the master plan update. He explained that the airport committee would like to do it this year but there is an issue of cash flow. He recommended to the committee that they need to go out for an RFP for a consultant. The RFP would be on the basis that they would submit their invoices to the town and will not be paid until we are reimbursed by F.A.A.

Building Equipment – Papa lights, rotating beacon needs to be replaced this year.

Mr. Hassler said it may be possible to pay for the beacon with F.A.A. money. There is supposed to be \$150,000 available a year for airport improvements.

Building Maintenance Budget:

Due to the amount of time spent on building maintenance this budget was established to give Tom a better idea of what is actually being spent on building maintenance.

Building Inspection:

This is ½ of Robert Pena's time. This is also a new budget. Staff was asked to research contracting building inspections with the county.

Mechanical Shop:

405 – Vehicle maintenance – This is an overall decrease. This includes all of the town departments. Tom was asked to look into purchasing bulk oil.

Park and Cemetery Budget: Decrease

Contractual Services – Prison labor

No major park improvements are scheduled such as the bathrooms, the playground equipment and lighting at the basketball court.

Mayor Dyson asked if they would put tables and a light each year.

Mr. Hassler said that there will be improvements in the park. There are some things scheduled in the operating budget such as a bench at the Becker Park. As for the banners, Mr. Hassler said he was going to meet with Marnie next week.

Communications – All of the public works personnel have radios and four have cell phones.
Radios are a one time purchase
Cell phones run about \$25.00 a month.

Casa Malpais Budget:

There are no major changes to this budget.
This budget covers, the tours, tour guides, and ½ of the office manager's time.
Salaries and wages are slightly higher.
He did not have time to review the hours that the Casa is open to make some type of cut backs.
Tours are running three or four a day currently.

Contractual services – decreased. The bathroom out at Casa is now functional.

Advertisements includes the brochures

Councilman Cray asked the Council if they would like to consider putting out an RFP for the Casa and have someone run it for profit.

Mr. Hassler said that Marnie has expressed an interest in running the Casa.

Public Works Department Budget: Overall decrease

No major changes to this budget

Debt Service:

Payments made to skate park and photocopier

Old School Building:

Architectural Services - \$ 27,500 Engineering services, \$26,000 for structural and \$1,500 for RFP that Doug Wolf contracted for.

The contract from Mel Slaysman has been signed and returned.

Doug Wolf has said he has been in contact with Mel Slaysman. They are both looking at being here at the same time the second full week in July.

Contractual Services - \$125,000

Remediation 50,000 and CDBG \$109,000 separate budget line item tracked separately

Structural repairs 25,000

Roof repairs 50,000

A total of \$157,000 to use on the old school from other sources but the town will have to match some of the money.

This is all money that is going to come out of the general fund. No money was put into the revenue side for donations.

The money from the group can be put into the revenue side.

Councilman Cray expressed his concern with taking money out from LGIP and Hurf funds for these projects. He stated that he did not feel that we could do the building project and use these funds in keeping with the laws of the State of Arizona.

Mayor Dyson said she would like to at least meet the commitments already made such as the SHPO grant and CDBG grant.

Mr. Hassler suggested that a revenue side from grants be put into the budget to match the grant to come out even. But it has to come from donations. If the donations don't show up then they don't do the project. The funds from donations will replenish those funds.

Mr. Hassler said he would add a line item for \$77,000 from donations. If they don't come in that portion won't be done.

Councilman Cray said he would vote no when it comes time to vote on the budget because they are misappropriating funds.

Mr. Hassler said there are three line items that have major changes.

303 Engineering and Architectural services - \$70,000 budgeted for the summer of 2006. NACOG money will be available to redo Maricopa from Coconino to Pima. They require a full set of engineering drawings. They are looking at a complete removal and replacement on that road. He is estimating the cost to be about \$70,000. He recommended that this project should be started this fall. It will be six to eight months. Construction will pay 90/10

755 – Road Maintenance- \$70,000 budgeted for street improvements. The roads will be announced at a later date.

Mr. Garms and Tom will come back at a later time with plan.

This money will be used for everything from crack sealing to chip seals, paving, curb and gutter and patch replacements. This amount of money should go quite a way if they use the double chip seal.

830 – Machinery and equipment- \$55,000 for an asphalt zipper. This is an "in-place" milling machine. It will hook on to the front end of the loader, mills up the asphalt and lays it back down. Then you roll it down and double chip seal over the top. He felt that this would work very well in certain areas that the road is very bad.

Senior Center Budget:

There is not a lot of change. This budget is going down due to grants.

Sharon disagreed with the amount of money her department will require from the town. Mr. Hassler asked her to come in and review it with him.

He said the numbers he put in are real close to what they are seeing. The salaries calculated are based on the 4% everyone is earning. This is the maximum amount everyone is making. He said he did not think there was anything that needed to be changed.

Fire Protection grant – Completed

24-550 CDBG Grant – Administration portion is \$19,000 this year and \$21,000 next year.

Housing Rehab - \$95,200 left for this year

School Rehab- \$110,000

Water Budget:

2.5 personnel budgeted in the water department.

General Supplies - \$40,700 includes \$30,000 to replace about a thousand feet of galvanized line.

Legal Services – Zuni Litigation from \$7,500 to \$25,000. We were told to double or triple these fees.

Contractual Services - \$12,000 primarily testing fees.

712 Building Improvements - \$10,000 water tank maintenance. Improvements needed to this tank to keep it maintained.

The recommendation from a company that came in to look at the tank is take down old tank.

830 – Machinery \$42,000 includes well head meters. This is recommended by ADEQ.

\$31,000 for first of five years to replace all of the water meters in town. This will be radio read meters. With this system the utility billing clerk can drive around for 45 minutes to an hour to get all the meter readings done.

This also eliminates all of the input. It is all computerized. This re-allocates manpower, and is compatible with the current computer system. This puts the manpower back to do the street repairs and maintenance.

Sewer Department:

200 - General Supplies - \$15,000 for a back up pump

Misc. \$20,000 – Mayor Dyson asked to see receipts.

303 - Engineering – Engineering on the line extensions and the WIFA project.

315 – Contractual \$13,020 – Monthly testing and trash pick up

Mr. Hassler noted that they should not worry about the contingency fund. If more money comes in or an emergency comes they revert back to the purchasing policy. If it is under \$3,000 the town manager can sign off on it. If it's over \$3,000 then it has to come back for approval from the council. If the money is not in the budget it can't be spent. It does not have to be a line item.

He explained that there is a two to four percent merit increase budgeted but not a cost of living.

Mr. Hassler advised the Council that overall this was a bare bones budget and has been refined over the last two years.

He said he would make some minor changes and put the budget in their boxes.

Motion by Mary Nedrow/Mark Baca to adjourn the meeting.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Mark Baca
		Scott Cray
		Pete Hunt

The meeting adjourned at 9:29pm.

Kay Dyson, Mayor

ATTEST:

Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in a budget session. I further certify that the meeting was duly called and a quorum was present.

Dated this 23rd day of July 2004

Town Clerk